

**REMARKS**

A Request for Continued Examination (RCE) pursuant to 37 CFR 1.114 is being filed concurrently herewith.

Claims 1-3, 8, 11, 13-17, 19-22, 27, 30, 32-36, 38 and 39 are pending in this application. Claims 1, 20 and 39 are the sole independent claims.

Claims 1-3, 8, 11, 13-17, 19-22, 27, 30, 32-36, 38 and 39 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US 6,018,718) for the reasons stated by the Examiner on pages 2-5 of the Office Action.

As now explained, a review and reading of the Walker patent (“Walker”) makes clear that the patent does not disclose, yield or suggest Applicants’ system and method as claimed in independent claims 1, 20 and 39. Applicants respectfully submit that differences exist between the system and method as currently claimed in the present application and the system and method disclosed in Walker, or the various systems and methods disclosed in the prior art disclosed by Walker, that warrant the immediate withdrawal of the rejection of claims 1, 20 and 39 under 35 U.S.C. 103(a). Applicants assert that given the differences between Walker (and the prior art it discloses) and the claimed invention a person having ordinary skill in the art would not understand each element of the claimed invention to be obvious.

As set forth in detail in the present application, Applicants’ invention is directed to a new system and method for enhancing the value and desirability of a substantially conventional credit card or like payment product to both the card holder and to the issuer of the card through a program by which the issuer of the card awards rebates to its card holders based on purchases of a defined class of goods or services. In contrast to (i) conventional credit card programs sponsored by particular merchants which limit the card holders to redeeming rebates

for specific goods or services purchased from such particular sponsoring merchants, or (ii) conventional credit card programs sponsored by particular issuing banks which provide card holders with an annual “cash back” reward based (only) on purchases made using the card, the rebate benefits according to the present invention are provided by the card issuer and can be based on the purchase of goods and services of any provider, regardless of whether the purchase was made using the claimed credit card. The present invention avoids the need for conventional partnerships with providers of goods and services such as co-branding arrangements, and also avoids the need for a card holder to use the card for large scale purchases, such as, for example, automobiles or pleasure boats, which generally cannot be concluded using credit cards, and thus would not be useable as a basis for rebates under conventional rebate programs.

Rebates in accordance with the claimed invention are earned from the card issuer solely upon making purchases of a defined class of goods or services, or upon effecting other credit card transactions, that (alone or cumulatively) satisfy the rules pre-defined by the credit card issuer. That is, it is the qualifying transaction itself that provides the card issuer with all it needs to recognize a rewards program event and provide an appropriate rebate to the card holder. There are no “performance targets” that need be met to earn a particular reward.

Walker describes embodiments of a system and method for providing and managing a reward offer to a holder of a financial account that is customized based on specific account criteria. In Walker, historical account data associated with the financial account are accessed and a first performance target associated with the financial account is determined. A reward offer having an associated reward description is selected and the first performance target and the reward description are transmitted to the account holder. Transaction data associated with the financial account are collected and compared to the first performance target. If the

collected transaction data exceed the first performance target, the financial account is updated to reflect the reward. The collected transaction data are also used to determine a second performance target associated with the financial account based on the first performance target and the account holder's transaction activity. The type of performance target can be defined by the card issuer, and can include charge volume, outstanding balance volume or transactions per month volume targets, each at one or more specific merchants.

As noted in the Office Action, Walker was used not solely for its own teaching, but also for its disclosure of prior art methods, in particular, the Discover<sup>TM</sup> card's method of giving rewards based on qualifying purchases made using the card. Office Action at 6.

In stark contrast to the prior art described in Walker, such as the Discover<sup>TM</sup> card, in accordance with the claimed invention, rewards are earned based on purchases of a defined class of goods or services. This is regardless of whether the claimed card is used for such purchases. In fact, one of the preferred examples of the invention described in the specification is a rebate program associated with automobile purchases. Automobiles cannot generally be purchased with a credit card. Nonetheless, for certain issuing banks, such as, for example, subsidiaries of automobile manufacturers, such as, for example, GM Capital Corporation, Honda Leasing, etc., there can be a distinct economic advantage in offering a credit card that encourages the purchase of automobiles via a rebate program. Additionally, for generic banks that hold or purchase large portfolios of auto or boat loans, encouraging the purchase of these items by offering a rebate program with a bank issued credit card can be a very effective cross-marketing tool.

Accordingly, Applicants assert that Walker, including the Discover card and other prior art methods and systems described in it, is not a valid reference against independent claims

1, 20 and 39, as amended, and thus these claims are urged as patentable over Walker and the prior art which Walker describes.

Regarding the rejection of dependent claims 2, 3, 8, 11, 13-17, 19, 21, 22, 27, 30, 32-36 and 38, it is submitted that these claims are also allowable by reason of their various dependencies from independent claims 1 and 20, as amended, as well as for the additional features and steps recited therein. Notice to this effect is also earnestly solicited.

The references cited by the Examiner in the Office Action but not applied are believed to be merely of interest, and no further discussion of these references is deemed necessary or appropriate at this time.

On the basis of the foregoing amendments and remarks, Applicants respectfully submit that this application is in condition for immediate allowance, and notice to this effect is respectfully requested. The Examiner is invited to contact Applicants' undersigned attorneys at the telephone number set forth below if it will advance the prosecution of this case.

No fee is believed due other than the \$1,020.00 fee associated with the three-month extension of time and the \$790.00 fee associated with the RCE filed concurrently herewith. However, the Commissioner is hereby authorized to charge any fee deficiency or credit any overpayment to Deposit Account No. 50-0540.

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Respectfully submitted,

/Aaron S. Haleva/

Aaron S. Haleva, Reg. No. 44,733  
KRAMER LEVIN NAFTALIS & FRANKEL LLP  
1177 Avenue of the Americas  
New York, New York 10036  
Tel.: (212) 715-7773  
Fax.: (212) 715-9397